Parole Board of Canada | Commission des libérations conditionnelles du Canada

Quarterly Financial Report for the Quarter ended June 30, 2015

Canada

Parole Board of Canada

Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board Accounting Standard 1.3. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates. It has not been subject to an external audit or review.

Authority and Objectives

The Parole Board of Canada (PBC or the Board) is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes record suspension decisions and recommendations for the exercise of clemency through the Royal Prerogative of Mercy (RPM).

Legislation governing the Board includes the *Corrections and Conditional Release Act* (CCRA), the *Criminal Records Act* (CRA), and the *Criminal Code*. The CCRA empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without their own parole boards. Provincial Boards currently exist in Quebec and Ontario. The CRA entitles the Board to order, deny and revoke record suspensions for convictions under federal acts or regulations. The Governor General or the Governor in Council approves the use of the RPM for those convicted of a federal offence, in all jurisdictions, based on investigations by the Board and recommendations from the Minister of Public Safety.

The Board has one strategic outcome: Conditional release and record suspension decisions and decision processes that safeguard Canadian communities. This strategic outcome is the cornerstone of the Board's public accountability and reporting of results.

Further details on the Board's authority, mandate and program activities may be found in the PBC's Report on Plans and Priorities.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Board's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for the 2015-2016 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Board uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

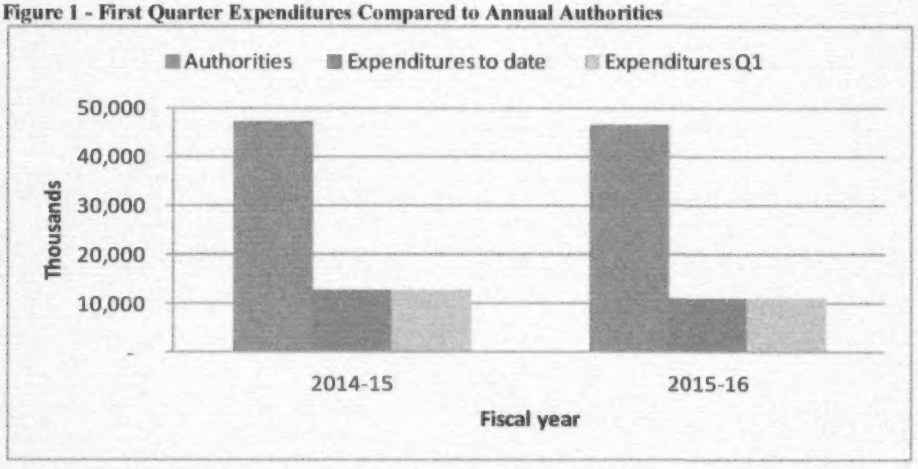
Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

Significant Changes to Authorities

As at June 30, 2015, total authorities available for the year have decreased by $0.5M compared to the same quarter of the previous year, from $47.1M to $46.6M. The major changes are as follows:

- A decrease of $1.4 million due to the net results of reprofiling funds between various fiscal years for the department's Medium to Long Term Accommodation Plan for Program Delivery;
- An increase of $0.7 million for additional workload related to escorted temporary absences;
- An increase of $0.1 million related to the Employee Benefit Plan;
- An increase of $0.1 million due to the compensation for collective agreement.

Figure 1 - First Quarter Expenditures Compared to Annual Authorities



Significant Changes to Gross Budgetary Expenditures

Quarterly and year-to-date spending, net of revenue, decreased by $1,715K or 14% in 2015-16, compared with the same quarter in 2014-15. Gross budgetary expenditures decreased by $1,818K or 13% in 2015-16 compared to 2014-15, and revenue decreased in 2015-16 by $103K, or 13%, compared to 2014-15.

The following paragraphs provide detail of significant changes.

- Personnel expenditures decreased by $350K, or 3%, in the first quarter of 2015-16. The majority of this decrease is due to a reduction in the level of resources dedicated to the pardon backlog.
- Transport and Communications decreased by $76K or 17% from the first quarter of 2014-15. The decrease is due to lower relocation expenditures compared to first quarter of 2014-15.
- Professional and special services expenditures decreased by $28K, or 9%, compared with the first quarter last year, largely due to lower translation costs and offset by the timing differences in payment of legal fees. The volume of translation of documents was lower in the first quarter of 2015-16, however the first payment for legal services was made in the first quarter of 2015-16 compared to the second quarter in 2014-15.
- Rental expenditures decreased by $51K, or 69%, compared with the first quarter last year, due to the rental of office space related to staff working on clearing the pardons backlog. The lease agreement ended in October 2014.
- Acquisitions decreased by $98K or 87% compared with the first quarter last year. This decrease is related to expenditures for the Board's Medium to Long Term Accommodation Plan for fit up costs at National Office. The fit up plan ended in fiscal 2014-15.
- Other subsidies and payments decreased by $1,222K compared with the first quarter last year due to a one-time transition payment of $ 1,291K for implementing salary payment in arrears by the Government of Canada in 2014-15.

Significant Changes to Revenues Collected

The number of record suspension applications accepted in the first quarter of 2015-16 was 1,522, which is 13% less than the same quarter of 2014-15. This resulted in a corresponding 13% or $103K decrease in revenues collected in the first quarter of 2015-16, compared to 2014-15.

Risks and Uncertainties

The PBC receives its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The Board collects user fees for processing record suspension applications, and has the authority to spend revenues received during the year on activities related to processing applications for record suspensions. If lower than expected volume persists, this will have an impact on the Board's net financial situation.

Significant Changes in Relation to Operations, Personnel, and Programs

Denis Ladouceur, who was the Director of Clemency and Record Suspension, left the Board in May 2015.

Approval by Senior Officials

Approved by,

Harvey Cenaiko Chairperson	Cathy Gaudet, CPA, CA Chief Financial Officer

Ottawa, Canada
August XX, 2015

Statement of Authorities (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Total available for uses for the year ending March 31, 2016*	Used during the quarter ended June 30, 2015	Year-to-date used at quarter-end	Total available for uses for the year ending March 31, 2015*	Used during the quarter ended June 30, 2014	Year-to-date used at quarter-end
Vote 1 – Program expenditures	46,281	10,204	10,204	47,003	12,050	12,050
Less revenues netted against expenditures	5,645	716	716	5,645	818	818
Total net Program expenditures	40,636	9,488	9,488	41,358	11,232	11,232
Budgetary statutory authorities - EBP	5,976	1,474	1,474	5,771	1,443	1,443
Total authorities	46,612	10,961	10,961	47,129	12,675	12,675

Departmental Budgetary Expenditures by Standard Object (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Planned expenditures for the year ending March 31, 2016*	Expended during the quarter ended June 30, 2015	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2015*	Expended during the quarter ended June 30, 2014	Year-to-date used at quarter-end
Expenditures						
Personnel	41,472	10,877	10,877	40,749	11,227	11,227
Transportation and communications	4,428	360	360	3,615	436	436
Information	327	11	11	226	10	10
Professional and special services	4,491	274	274	4,505	302	302
Rentals	240	23	23	302	74	74
Repair and maintenance	103	11	11	1,412	7	7
Utilities, materials and supplies	455	25	25	490	23	23
Acquisition of machinery and equipment	739	15	15	1, 475	113	113
Other subsidies and payments	2	80	80	-	1,301	1,301
Total gross budgetary expenditures	52,257	11,676	11,676	52,774	13,493	13,493
Total revenues netted against expenditures	5,645	715	715	5,645	818	818
Total net budgetary expenditures	46,612	10,961	10,961	47,129	12,675	12,675

***Includes only Authorities available for use and granted by Parliament at quarter end.**